loophole. The proposal is consistent with our trade agreements and our tax treaties.

Specifically, the proposal I am filing today effectively defers any deduction for premiums paid to foreign affiliated insurance companies if the premium is not subject to U.S. tax. This is accomplished by denying an upfront deduction for any affiliate reinsurance and then excluding from income any reinsurance recovered (as well as any ceding commission received), where the premium deduction for that reinsurance has been disallowed.

The bill allows foreign groups to avoid the deduction disallowance by electing to be subject to U.S. tax with respect to the premiums and net investment income from affiliate reinsurance of U.S. risk. Special rules are provided to allow for foreign tax credits to avoid double taxation. This ensures a level-playing field, treating U.S. insurers and foreign-based insurers alike.

The legislation provides Treasury with the authority to carry out or prevent the avoidance of the provisions of this bill.

A fuller technical explanation of the bill can be found on my website.

This "deduction deferral" proposal is similar to one contained in the administration's budget this year. In an effort to combat earnings stripping, this bill uses a common-sense approach, which will effectively defer the deduction for premiums paid until the insured event occurs—thereby restricting any tax benefit from shifting reserves and associated investment income overseas.

Ending this unintended tax subsidy for foreign insurance companies will stop the capital flight at the expense of American taxpayers and restore competitive balance for domestic companies. Closing this loophole does not impose a new tax. It merely ensures that foreign-owned companies pay the same tax as American companies on their earnings from doing business here in the United States. Congress never would consciously subsidize foreign-owned companies over their American competitors. Thus, there is no reason an unintended subsidy should be allowed to continue.

Mr. Speaker, I appreciate the opportunity to address the House on this important matter and I assure my colleagues that I will continue my efforts to combat offshore tax avoidance, regardless of what industry is impacted.

MR. JOHN BARANSKI

HON. LOU BARLETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. BARLETTA. Mr. Speaker, I rise to honor John Baranski for his performance as an athlete, coach, and mentor, and on his acceptance into the Plains Sports Hall of Fame in Northeastern Pennsylvania.

John Baranski, who was better known as Jack, is a graduate of Coughlin High School. At Coughlin, he played tackle on both offense and defense for the Crusaders, and was part of their 1985 and 1986 Wyoming Valley Conference Championship teams. In 1987, Mr. Baranski was selected by the Wilkes-Barre Times Leader newspaper as a first-team All-Conference tackle. Because of his stellar performance in the Wyoming Valley West High School game, he was awarded the Outstanding Senior Athlete Award from the Coughlin Booster Club and the Red Pendergrass Award. Also as a senior, Mr. Baranski played in the UNICO All-Star Game.

Mr. Baranski's playing career may be over, but his knowledge and skills are present in the student-athletes he has coached over the years. He coached at Coughlin from 1992 through 1999, and now he is the offensive coordinator for the Spartans of Wyoming Valley West. During his career as a coach, his teams have combined for seven District 2 AAAA championships and five Wyoming Valley Conference championships. He has also served as president of the Ed/Stark Little League in 2009, and of the West Side Little League in 2010 and 2011.

Mr. Speaker, John "Jack" Baranski, a product of Plains youth football and basketball, has certainly proven himself worthy of being called a "Hall of Famer" through his years of outstanding performance as a player and coach.

HONORING PAMELA ANN COCHRANE OF LAKEPORT, CALIFORNIA

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. THOMPSON of California. Mr. Speaker, I rise today in recognition of Mrs. Pamela Ann Cochrane, a resident and servant of the County of Lake for over three decades and among the most cherished and appreciated members of her community.

Mrs. Cochrane has been a public servant for 40 years, beginning her career of service in Lake County as an accountant in the Auditor-Controller's Office in 1980. Since that time her responsibilities and contributions have only increased. She became a supervising accountant in 1988, was promoted to Chief Deputy Auditor-Controller in 1994, served as Interim County Clerk/Auditor-Controller in 1998, and was successfully elected by the citizens of Lake County to the post of County Clerk/Auditor-Controller in 1998, 2002, 2006, and 2010.

Always a leader who valued versatility and adaptability among her staffers, Mrs. Cochrane made good on her campaign promise to "cross train all employees of the Auditor-Controller's Office," and is regarded by many of her colleagues and peers as an outstanding boss and coworker, and a great friend. She has always been quick to champion the accomplishments of her staff and department, which has won awards for excellence in financial reporting from the Government Finance Officer's Association and the State Controller's Office.

Mrs. Cochrane is also a model citizen and an enduring participant in a number of community organizations and groups. She is treasurer and a long-time member of the Lake County Hospice Board of Directors, a very active member of the Lakeport Rotary Club, a proud mother of three and grandmother of four.

Therefore, Mr. Speaker and colleagues, I believe it is appropriate at this time that we commend and applaud the tremendous contributions that my friend, Mrs. Cochrane, has made to the County of Lake and her fellow members of that community. We wish to extend to her our deepest gratitude and best wishes for many years of happy retirement with her husband, James.

EXTENDING THE GENERALIZED SYSTEM OF PREFERENCES

SPEECH OF

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 11, 2011

Mr. GENE GREEN of Texas. Madam Speaker, I rise in support of H.R. 2832, legislation that will extend the Trade Adjustment Assistance program and the 2009 TAA reforms for workers, firms, and farmers through December 31, 2013.

Since its creation nearly half a century ago, TAA has helped millions of Americans whose jobs were lost to outsourcing, off-shoring, and increased foreign competition.

For many, TAA is a critical lifeline that provides retraining and education, health insurance assistance, and other crucial support initiatives to workers affected by international trade.

TAA also helps small businesses and farmers become more competitive through the TAA for firms and TAA for farmers program.

This legislation will also extend important reforms made to TAA in 2009, but were allowed to expire in February of this year. These improvements include guaranteeing access to training for American service and manufacturing workers, as well as allow workers to qualify for TAA benefits if their firms shifted production to any country, including China and India, not just countries with which the United States has entered into a free trade agreement.

More than 185,000 additional trade-impacted workers have become eligible for training opportunities and benefits under the 2009 reforms.

In my state alone, over 20,000 workers have benefited from TAA's services and support since May 2009. Nationwide, nearly half a million Americans have benefited from TAA over the past two years.

TAA has historically received bipartisan support in this chamber. I hope my colleagues on both sides of the aisle will join me and support this legislation.

Unfortunately, programs like TAA would not be necessary if this Congress and this Administration would push for trade deals that would focus on job creation here at home.

The history of free trade agreements shows that the promised benefits of FTAs, be with Mexico and NAFTA, or with China and Most-Favored-Trade Status, have not materialized.

In fact, it has been the opposite.

Soon after the enactment of NAFTA in 1994, six factories in my district in Houston were shut down. The thousands of Houstonians who were laid-off were able to get assistance through TAA, but would have much rather have kept their jobs than seen their livelihoods moved to Mexico.

Before NAFTA came into effect, the United States had an annual trade surplus of over $1 billion with Mexico. Last year, our nation's trade deficit with our southern neighbor reached $66 billion.

The story is similar with China. In 1999, the year before permanent MFT status was granted on China, our trade deficit was $68 billion.

Today, that deficit has exploded to $273 billion, and with it, millions of American jobs. A recent study by the Economic Policy Institute found that the trade deficit with China eliminated or displaced 2.8 million jobs between 2001 and 2010.

I fear that enactment of the trade agreements debated in this chamber today will further exacerbate job losses in our country.

EPI found in a study last year that the Korea FTA alone would displace 159,000 jobs in the United States. The same study found that the Colombia FTA would cost the American people 55,000 jobs.

It is time for this chamber to ask why our nation gives open access to our markets to foreign competitors—as is the case with South Korea, Colombia, and Panama—and only, years later, look to gain similar access into their markets.

History has shown me that genuine free trade comes when all parties receive equal access to each others' markets. All three of these agreements fail to do so.

I close by calling on my colleagues today to vote in favor of working Americans by voting against these trade agreements and voting in favor of TAA.

CAPE VERDEAN EX-PRESIDENT PIRES IS PRAISED FOR HIS LEADERSHIP ROLE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. FRANK of Massachusetts. Mr. Speaker, last week, on the death of former Cape Verdean President Aristides Periera, I noted the great achievement of that country in showing the world that a nation winning its independence in the post-World War II period can progress economically while fully respecting democratic norms. Earlier this week, that extremely admirable record was recognized as well by the Mo Ibrahim Foundation as they awarded the Ibrahim Prize for Achievement in African Leadership to Pedro de Verona Rodrigues Pires, the recently retired President of Cape Verde. President Pires was elected to two terms as President and was one of those responsible for the great record of economic development a record recognized by both the Bush and Obama administrations in their strong support for Cape Verde's participation in our Millennium Challenge program. President Pires' popularity and record of success was such that some urged him to support a constitutional amendment so he could run for a third term, but he refused to do that, demonstrating a strong commitment to both the spirit and the letter of democracy.

Mr. Speaker, I congratulate the people of Cape Verde for the example they set so much of the world in combining economic progress and democratic commitment, and I am glad to once again express to President Pires, whom I had the privilege of meeting in Brockton, Massachusetts last summer, my great admiration and respect for his work.

Mr. Speaker, I ask that the article from the New York Times about Pedro Pires winning the Ibrahim Prize for Achievement in African Leadership be printed here, because the example set by President Pires and by the people of Cape Verde is one that deserves to be chronicled widely, and, I hope, followed.

[From the New York Times, Oct. 10, 2011]

EX-PRESIDENT OF CAPE VERDE WINS GOOD-GOVERNMENT PRIZE

(By Adam Nossiter)

MONROVIA, LIBERIA.—Pedro de Verona Rodrigues Pires, the former president of Cape Verde, the desertlike archipelago about 300 miles off the coast of West Africa, has won one of the world's major prizes, the $5 million Ibrahim Prize for Achievement in African Leadership.

The record of governing in Africa has been poor enough lately that the Mo Ibrahim Foundation decided not to award the prize for the past two years. In many African countries, leaders have refused to leave office after losing elections, tried to alter constitutions to ensure their continued tenure or gone back on pledges not to run for reelection.

But on Monday the foundation of Mr. Ibrahim, a Sudan-born telecommunications mogul whose goal is to promote good government in Africa, announced it had picked Mr. Pires of Cape Verde, a sparsely populated former Portuguese colony of 500,000 people, mostly of mixed Portuguese-African descent. The islands are a perennial exception to the many low rankings that international organizations, including Mr. Ibrahim's, give to nations on the continent for human rights and governing.

Mr. Pires served two terms—10 years—as president until stepping down last month. During that period, the foundation noted, Cape Verde became only the second African nation to move up from the United Nations' ''least developed'' category. The foundation says the prize is given only to a democratically elected president who has stayed ''within the limits set by the county's constitution, has left office in the last three years and has demonstrated excellence in office.''

Mr. Pires resisted suggestions that his country's Constitution could be changed to allow him to run again, a further point in his favor, the foundation said. In addition to the $5 million award paid over 10 years, the winner receives $200,000 annually for life thereafter.

''It is wonderful to see an African leader who has served his country from the time of colonial rule through to multiparty democracy, all the time retaining the interests of his people as his guiding principle,'' Mr. Ibrahim said in a statement. ''The fact that Cape Verde with few natural resources can become a middle-income country is an example not just to the continent but to the world.''

Mr. Ibrahim publishes an index scoring African countries on how they govern, and this year the index noted significant improvements in Liberia and Sierra Leone, while nonetheless finding an ''unchanged continental average'' in ''overall governance quality.''

THE U.S.-KOREA FREE TRADE AGREEMENT: A NO WIN SITUATION FOR AMERICA AND ITS WORKERS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. CONYERS. Mr. Speaker, why would Congress pass three leftover Bush NAFTA-style "free trade" agreements with Korea, Panama and Colombia?

A report issued by the Economic Policy Institute concluded that the Korea FTA agreement not only fails to create jobs for American workers, it would result in the net loss of 159,000 U.S. jobs in its first seven years. And when one considers the details of the agreement, it is not hard to see why.

Under the proposed Korea FTA, the United States will eliminate tariffs on South Korean cars and trucks, increasing South Korean imports here, without requiring them to buy more of our vehicles. As a concession, South Korea did agree to waive certain environmental and safety requirements for up to 25,000 cars per U.S. maker—if suddenly there is demand for U.S. cars in South Korea, whose consumers historically have not bought U.S. imports. More than 95 percent of the cars sold in South Korea today are made in South Korea.

Additionally, no changes were made to the low domestic content rules. Under the proposed agreement, up to 65 percent of the value of a vehicle can be sourced in low-wage nations like China and still qualify for the FTA's duty-free access. As a result, this agreement is an open invitation to the auto industry to send American auto parts jobs to China. Indeed, the Korean Auto Workers Union opposes this FTA because the low domestic content rules will also invite the South Korean parts industry to outsource their jobs to China. Meanwhile, Europe's trade agreement with South Korea requires 55 percent domestic content. Even NAFTA required 50 percent domestic content.

But while this FTA does not follow NAFTA's domestic content requirements, it does replicate NAFTA's special privileges for foreign investors. This allows foreign investors to evade domestic courts and use foreign tribunals to get reimbursed for regulatory costs from U.S. taxpayers. There are more than 270 Korean corporate affiliates in the U.S. who would be empowered to use these tribunals to raid our Treasury if the Korea FTA were implemented.

Among the laws exposed to attack are financial regulations that the U.S. and Korea implemented to restore stability after the devastating global financial crisis. The banks and securities firms that wrecked the global economy would be newly empowered under this deal to attack the policies designed to get them under control. Not surprisingly, the Korea FTA is loved by Wall Street's titans.

And the FTA even includes President Bush's ban on references to the International Labor Organization's Conventions—the global labor standard. The agreement does nothing to require South Korean labor law to be put on equal footing with U.S. law, as under South Korean law, union members can be fired for striking and then sued for their employers' lost profits. The AFL-CIO, Teamsters, and many other American and Korean unions oppose this FTA.

With the Big Three beginning to recover and hire more workers thanks to major U.S. government assistance, it seems problematic that Congress would support an agreement that could boost the auto industry's profits, but only at the cost of more off-shored jobs.

The proposed Korea FTA is a bad deal for our country and America's workers. It's time to put the American worker first and stop these trade deals.